

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 884 - SB 990

February 8, 2023

SUMMARY OF BILL: Requires a local government participating in the Tennessee Consolidated Retirement System (TCRS) to fund 60 percent or more of a benefit improvement after implementation in order to establish a benefit improvement. Authorizes a local government employer, after approving a benefit improvement, to amortize an increased pension liability over a period of time not to exceed 10 years from the date of adoption of a benefit improvement. Requires employers funding an increased pension liability over a period of 10 years to have the full benefit improvement available at the commencement of the amortization period.

Requires the state to pay the estimated increased pension liability resulting from a benefit improvement for general employees or employees at institutions of higher education in the retirement system by amortizing the pension liability over a period of time not to exceed 10 years from the date of adoption of a benefit improvement.

Establishes that a benefit improvement does not include the supplemental bridge benefit established in Tenn. Code Ann. § 8-36-211 for members who are subject to mandatory retirement.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Based on information provided by TCRS, the proposed legislation will not increase liabilities to the retirement system.
- Adding an additional option to fund increased pension liabilities associated with a benefit improvement will not increase the liabilities to the retirement system or increase operational expenditures for state or local government; therefore, any fiscal impact is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/mk